(d) and (e) FIs have evolved guidelines in respect of nominee directors appointed by them on the Boards of assisted companies. These guidelines also take into account instructions issued on the subject by Government from time to time. The nominee directors are expected to act in the best interest of the company and also safeguard the interest of the FI concerned. If a FI is not satisfied with the performance of a nominee director, it can withdraw his nomination from the Board of the company concerned.

Evasion of income tax by private companies

6944. SHRIMATI MALTI SHARMA:
SHRI RAJ NATH SINGH:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 1047 given in the Rajya Sabha on the 21st March, 1995 and state:

(a) whether it is a fact that M/s. Design, M/s. Indure and M/s. Ash Handling, a group of companies, East of Kailash, New Delhi have acquired assets disproportionate to known sources of income;

(b) if so, whether Government have enquired into the malpractices adopted by the said companies viz. floating different companies to run the same business to evade income tax; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) As stated in reply to Unstarred Question 1047 there are no income-tax records of M/s. Design and M/s. Indure of East of Kailash, New Delhi. If the Hon'ble Members are refering to M/s. Design (P) Ltd., Design House, Greater Kailash-II, New Delhi and M/s. The Indure Ltd., Indure House, Greater Kailash-II, New Delhi records do not indicate that these companies are in possession of assets other than those reflected in their balance sheets or that they are evading income-tax by floating different companies. There is no concern with the name of M/s. Ash Handling at the above address.

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6945. SHRI SUSHILKUMAR SAHBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the Asia Development Bank's Annual Report, 1994 released in April this year, suggesting that inter-regional cooperation in Asia by promoting cross border trade; and

(b) if so, what is Government's reaction to the two main suggestions made in the report for cross border trade promotion and for development of inter-regional corporation for Asian development?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) While breadly endorsing the Bank's efforts to foster greater regional cooperation, the concrate suggestions made in the Asian Development Bank's Annual Report would be kept in view while considering the Govt's policy in this regard.

Investment Protection Guarantee Treaty

6946. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal for an Investment Protection Guarantee Treaty with the U.S.A.; and

(b) if, so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Whereas India and USA have exchanged their respective negotiating